

Date: November 18, 2024

Madam/Sir,

We are in the process of identification of statutory auditors for the New York branch for Balance sheet audit of March 31, 2025 {period "April 1, 2024 to March 31, 2025"} and a review for December 31, 2024 {9 months ended ""April 1, 2024 to December 31, 2024"}, as per Indian Banking accounting standard. We are pleased to make an invitation soliciting quotes from eligible audit firms located in USA (preferably New York area).

(i) The audit needs to be conducted in accordance with the Indian Bank accounting standards. The financial statements have to be in conformity with accounting principles generally accepted in United States of America guidelines and also verified with reference to Bank's Accounting Policies / Procedures (which are based on the applicable Indian Accounting Standards, The Reserve Bank of India guidelines and the legal requirements of disclosure as per Banking Regulations Act 1949, India).

(ii) The following reports or statements also needs to be given by the auditor viz;

1. Balance Sheet & P&L A/c
2. Returns from 4 to 17 including CRAR Basel II and III, data on replacement cost with positive value of derivative contracts
3. Break up of SA Prepaid Expenses, investment/NPA/ SL outstanding charges / other items
4. Advances Dimensions including Statement showing amount written back from the provision made in earlier years
5. Statement showing movement in HO A/c, Provisions made/held and Breakup of provisions held
6. Fixed Assets details
7. Investment details including provisions for NPI, Depreciation on Investments and Movement of provisions of NPI
8. Details of Standard, Sub-Standard, Doubtful and Loss Assets under Bills Purchased and Other Advances
9. Segment Report



10. Risk Weight Assets & Exposures
11. Long Form Audit Report (LFAR)
12. All Averages of Assets and Liabilities (Cumulative & Quarterly).
13. Details of exposures to overseas branches, subsidiaries and joint ventures
14. Counterparty and country-wise exposures statement
15. Capital Charge Statement
16. Market Value of Investments
17. Level 3 assets details
18. MOC Certificate
19. Pillar 3 Disclosures (Basel II and III)
20. Disclosures in Financial Statements
21. Any other statement / return that would be sent as part of the Balance Sheet file.
22. Checking whether the previous Quarter/ Annual audit MOC's are effectively implemented in CBS/System or not.

As regards provision, the certificate from the auditor to include the following:

“The specific provision for possible losses on exposures to customers is determined by the Canara Bank (New York branch) management;

Specific provisions have been calculated in accordance with Reserve Bank of India instructions except where the application of (host country - USA) generally accepted accounting principles that require a higher level of provision;

Loans and advances are written down to estimated realizable value where there is no realistic prospect of recovery. Interest on nonperforming advances is not recognized as income in accordance with Head Office policy.

- (iii) The quotes should be submitted in a sealed cover on **December 02, 2024 (Monday) on or before 3 P. M. at our office.** The said cover will be opened on the same day

at 3.15 P. M. and a representative of your firm can be present while we open the bid.

- (iv) The audit firm is also proposed to review of the operations of the branch's financial accounts for the period ending December 31, 2024 and a full audit of financial statements as at March 31, 2025.
- (v) You may send the fixed price (all in price) quotes, separately for December 2023 - Review; and Financial Audit for March 2025 along with the payment terms too. In case of combined quotation for quarterly review & Annual audit the proportion of fee shall be 20 % of the total fees, towards quarterly review.
- (vi) Fees once approved would be final and be inclusive for submission of any reports/ information/ certificates regarding the audit work and for any additional certification/ audit under regulatory requirement for the balance sheet dates.
- (vii) Please confirm that the firm is eligible for taking up the assignment as per the US regulations and there are no adverse comments by any of the US regulators about the firm.
- (viii) In case of Termination/resignation following terms & conditions are applicable:
"Either party shall have a right to immediately terminate the agreement if -
a) the other party is in breach of any material terms of engagement.
b) the other party ceases to have license as per applicable law"

Indemnity clause as under:

- a) The Bank shall indemnify the firm, its directors, and employees, from all third-party claims, litigations, damages, losses, expenses, or costs (including attorney's lawyer's fees and court expenses) directly or indirectly arising out of misrepresentation, fraud or non - disclosure of material facts.
- b) The Firm shall indemnify the Bank against all claims, losses, costs, damages, litigations, expenses, or costs incurred by it due to breach of any term of engagement".

Auditor's credentials, constitution documents (supporting documents), Firm registration details, brief description of the firm and its strengths with details of past experience, names of banks for which the firm has been rendering services as auditors should be mentioned in the proposal.

Audit firms shall adhere to minimum cyber security practices normally required to be met by the third party service providers in order to do business in New York, USA as stipulated by the New York State Department of Financial Services ("DFS") under Section



500.11 of Cyber Security Requirements for Financial Services Companies and demonstrate the same in case of requirement.

If you need further information/clarification, please feel free to contact:

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Best Regards,



Parthibaraj Leovijayakumar
VP (Operations & IT)/ACE

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